

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 PA-02 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 NSCE-00
SSO-00 USIE-00 INRE-00 /111 R

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APPROVED BY EB/OT/STA:T O'HERRON
COM/BIEPR/OTP/TNAD/DSCHECHTY
STATE/OTP/STA/JSPIRO
TREASURY/EBARBER
LABOR/RRENISON
STR/MPOMERANZ
OFFP/LHAUGH
AGRICULTURE/JBENSON
DOD/RBOOTON

-----093005 222350Z /73

O R 22235Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY ROME IMMEDIATE
INFO USMISSION GENEVA

UNCLAS STATE 074358

USMTN FOR MTN GENEVA

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: IDENTIFICATION OF PUBLIC PROCUREMENT ENTITIES OF
CENTRAL GOVERNMENTS IN SELECTED DEVELOPED COUNTRIES

1. SUPPLEMENT TO STATE 66974 FOR ITALY FOLLOWS.

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2. MINISTRIES: FOREIGN AFFAIRS, INTERIOR, GRACE AND
JUSTICE, BUDGET AND ECONOMIC PLANNING, FINANCE, TREASURY,
DEFENSE, EDUCATION, PUBLIC WORKS, AGRICULTURE, TRANSPORT
AND CIVIL AVIATION, POSTS AND TELECOMMUNICATIONS,
INDUSTRY, COMMERCE AND ARTS AND CRAFTS, LABOR AND SOCIAL
SECURITY, FOREIGN TRADE, MERCHANT MARINE, STATE
PARTICIPATION (STATE ENTERPRISES), HEALTH, TOURISM AND

ENTERTAINMENT, (REGIONS), (SCIENTIFIC RESEARCH);
(ADMINISTRATIVE REFORM), (CULTURE AND ENVIRONMENT);
PLEASE CLARIFY WHETHER THERE IS SUPPORT ORGANIZATION FOR
RESPONSIBILITIES HELD BY MINISTERS WITHOUT PORTFOLIO (IN
PARENTHESES).

3. ITALIAN GOVERNMENT IS SAID TO HOLD CONTROLLING
INTEREST IN LARGE NUMBER OF FINANCIAL, COMMERCIAL, AND
INDUSTRIAL ENTERPRISES THROUGH VARIOUS STATE AGENCIES.
STATE OWNERSHIP IS ALMOST COMPLETE IN COMMUNICATION AND
TRANSPORTATION WHERE THE STATE OWNS THE TELEPHONE RADIO

AND TELEVISION SYSTEMS. THE RAILROADS, THE AIRLINE
ALITALIA AND LARGE SHIPPING COMPANIES ARE ALSO STATE
OWNED. MOST OF THE ELECTRIC POWER AND LIGHT INDUSTRY IS
ALSO STATE-OWNED. THE GOVERNMENT IS ALSO DIRECTLY
INVOLVED IN A NUMBER OF INDUSTRIAL SECTORS.

4. WE FIND STATE PARTICIPATION IN THE INDUSTRIAL SECTOR
TAKES FORM OF DIRECT MANAGEMENT IN THE CASE OF MONOPOLIES
(E.G., TOBACCO AND SALT), INDIRECT MANAGEMENT THROUGH
STATE HOLDING COMPANIES, OR JOINT VENTURES IN WHICH THE
GOVERNMENT CONTROLS THE MAJORITY OF THE SHARES.

5. THE MINISTRY OF STATE ENTERPRISES HAS FORMAL POLICY
CONTROL, WITH SOME EXCEPTIONS, OVER STATE-OWNED
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INDUSTRIAL ENTERPRISES. MOST OF THESE COMPANIES OPERATE
WITHIN THE FRAMEWORK OF FOUR GIANT FINANCIAL PUBLIC
CORPORATIONS. THESE ARE (1) THE INDUSTRIAL
RECONSTRUCTION INSTITUTE (ISTITUTO PER LA
RICOSTRUZIONE INDUSTRIALE IRI); (2) THE NATIONAL
HYDROCARBONS AUTHORITY (ENTE NAZIONALE IDROCARBURI-ENI);
(3) THE MANUFACTURING INDUSTRY HOLDING AND FINANCIAL
AGENCY (ENTE PARTECIPAZIONI E FINANZIAMENTO INDUSTRIA
MANIFATTURIERS (EFIM). THE ELECTRIC POWER AGENCY (ENTE
NAZIONALE PER L'ENERGIA ELETTRICA-ENEL) OPERATES UNDER
THE MINISTRY OF INDUSTRY.

6. STET (SOCIETA' FINANZIARIA TELEFONICA S.P.A., TURIN)
IS A FINANCIAL HOLDING COMPANY IN WHICH THE IRI GROUP
HAS A MAJORITY INTEREST (56.8PERCENT). COMPANIES
OPERATING UNDER STET'S ADMINISTRATION INCLUDE: SIP
WHICH OPERATES THE ENTIRE ITALIAN TELEPHONE SYSTEM
DOMESTICALLY; TELESPAZIO, WHICH HANDLES INTERNATIONAL
COMMUNICATION THROUGH SATELLITES; AND ITALCABLE WHICH
OPERATES COMMUNICATION SYSTEM BY INTERNATIONAL CABLE,
RADIO TELEGRAPH AND RADIO-ELECTRIC FACILITIES.

7. THE IRI GROUP ALSO INCLUDES A MISCELLANY OF COMPANIES ENGAGED IN DIVERSE ACTIVITIES. IT INCLUDES RAI, WHICH MANAGES THE STATE-OWNED RADIO AND TELEVISION AND ALITALIA, THE PASSENGER AND CARGO AIRLINE.

8. SINCE 1962 ALMOST THE ENTIRE ELECTRIC POWER AND LIGHT INDUSTRIES HAVE BEEN NATIONALIZED AND OPERATE UNDER STATE OWNERSHIP. THROUGH A VAST ORGANIZATION, ENEL DIRECTS COORDINATES, AND SUPERVISES THE FINANCIAL ACTIVITIES OF MORE THAN ONE THOUSAND OPERATIONAL UNITS. IT IS RESPONSIBLE FOR THE CONSTRUCTION OF THERMAL, GEOTHERMAL, NUCLEAR POWER PLANTS, HYDRO-ELECTRIC POWER STATIONS, INCLUDING THE TRANSMISSION NETWORK POWER

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LINES.

9. FOREGOING IS BEST INFORMATION WE COULD DEVELOP WITHIN TIME CONSTRAINTS FOR GUIDANCE OF U.S. MTN NEGOTIATORS. EMBASSY REQUESTED TO FREELY AMEND AND ADD TO INFORMATION TO MAKE IT MORE USEFUL TO U.S. DELEGATION. WE WOULD WELCOME SUCH INFORMATION EMBASSY CAN PROVIDE ON CONTROL OR INFLUENCE GOI HAS OVER NATIONAL ENTITIES, ESPECIALLY THOSE IN "GREY" AREA THAT WE WANT TO SEE COVERED BY CODE. VANCE

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